

CALNET II RFP DGS-2053

Question and Answer Set #23

March 24, 2006

112. Reference Section 6.1.2.10, Interactive Voice Response (IVR) System (M-O), what does the State mean by the following IVR feature? Would a "Zip Code" locator* be acceptable? **Numeric Classification Locator - Business office, department, or organization (etc.) locator using numeric options?*

The feature, "Numeric Classification Locator" was deleted from IVR features listed in section 6.1.2.10 in Addendum 24.

113. In sections 4.5.5.1.1, 6.2.18, 6.2.19.5, 6.3.10 and 6.4.8, vendors are required to "provide" or "submit business models". We understand that DTS's intent was not to require separate documents containing full "business models", however we believe that if a third-party participates in the evaluation, it is possible for a Bidder to be considered non-compliant if all defined deliverables are not submitted as part of our bid. We are requesting clarification to the "business model" requirement or written acknowledgement that it is not a RFP deliverable.

For the purpose of the RFP, references to "business model" are intended to mean a process, procedure, or business practice that shall demonstrate how the Bidder will meet specific RFP Requirements. Where the Bidder documents, places, or describes the business model in its proposal is at its discretion. This clarification will be incorporated in Section 4.5.5.1 in a future Addendum.

114. Section 4.5.5.1 requires vendors to use the "business models" identified in section 6 as consideration for responding to sections 4.5.5.1.1, 1.2, 1.3, & 1.4. Would DTS please clarify how these "business models" are to be used in this requirement?

The State will use the business models referenced in Sections 4 and 6 of the RFP to assess how the Bidder proposes to conduct day-to-day business or establish business relationships with other Module Service providers.

115. The "Contractor Business Plan" is referenced as "Contractor business plan", "Business Plan", "Initial Business Plan", "Annual Business Plan", possibly "business models", as well as "business plan" in Appendix B, Model Contract Language, Section 52.f. We have assumed all of the above labels refer to the same document; however, we believe that if a third-party participates in the evaluation it

may be possible for a Bidder to be considered non-compliant if all defined deliverables are not submitted as part of the bid. We are requesting clarification to the “Contractor Business Plan” requirement.

The Bidder’s assumption is correct; these references, Contractor Business Plan, Contractor business plan, Business Plan, Initial Business Plan, Annual Business Plan, and Appendix B, Model contract Language, Section 52.f business plan, all refer to one “Business Plan.” The “Initial Business Plan” is required to be submitted with the final proposal and the “Annual Business Plan” is an update that is submitted annually thereafter.

Note that the term “business model” referred to in Bidder question is not considered a Business Plan under this assumption. The term “business model” is addressed in the answer to Question 113.

116. Based on the Confidential Discussions, we understand that DTS’s intent was to require the following Plans in each Module:

- Business Plan
- Migration Plan
- Escalation Plan
- Training Plan
- Transition-Out Plan

Upon further review, the RFP lists seven (7) Plans for Module 1 & 2 and six (6) Plans for Modules 3 & 4:

- Contractor Business Plan
- Migration Plan (Modules 3 & 4)
- Transition-In Plan + SIBs Transition (Module 2 only)
- Network Disaster Recovery and Operation Recovery Plan (Module 2 only)
- Escalation Plan
- Training Plan
- Marketing Plan
- Transition-Out Plan

We believe that if a third-party participates in the evaluation it may be possible for a Bidder to be considered non-compliant if all defined RFP deliverables are not submitted as part of our bid response. We are requesting clarification to the name and number of Plans required for each Module. Additionally, please provide clarification as to whether the Plans are to be provided as separate documents (i.e., Volume II), or embedded in the RFP response (i.e., Volume I).

By way of clarification, the following formal “Plans” identified below shall be submitted as separate documents for each Module proposal.

a. Business Plan (Modules 1, 2, 3, and 4)

- b. Training Plan (Modules 1, 2, 3, and 4)**
 - c. Escalation Plan (Modules 1, 2, 3, and 4)**
 - d. Marketing Plan (Modules 1, 2, 3, and 4)**
 - e. Transition-In Plan (Modules 1 and 2)**
 - f. Migration Plan (Modules 3 and 4)**
 - g. Transition-Out Plan (Modules 1, 2, 3, and 4)**
 - h. Disaster Recovery and Security Plan (Appendix B-1, B-2, B-3, and B-4 Due 90 calendar days after effective date of Contract)**
117. We understand that DTS's intent is to list identifiable and measurable "tools" and "reports" in the SLA tables in Sections 6.1, 6.2, 6.3, and 6.4. However, upon further review, the SLA tables list entire Sections of the RFP that include ad-hoc, query, and on-line reports as well as numerous general references to reports and tools. We believe this to be too open ended to provide a clear, concise SLA response.
- Because many of the tools and reports are listed in two or three of the tables, a tool that creates multiple reports could become unavailable and SLA's would apply to the tool and every report the tool is capable of creating.
- Examples from Module 2 include Table 6.2.22.3.3, Report Delivery Intervals, Table 6.2.22.3.4, Tools and Implementation, Table 6.2.22.3.5, Tool Availability, etc. These examples are fundamentally the same in all four Modules.
- Would DTS create a specific list of tools and reports that pertain to each of the SLA tables?
- The State is currently reviewing the Requirements for the "tools" and "reports" in the Administrative Service Level Agreement Tables in Section 6.1, 6.2, 6.3, and 6.4. The State will either respond to this specific question in a future QA Set, or, if a modification of Requirements is warranted, include it in a future Addendum.**
118. Section 4.5.5 states: "In Module 3 and Module 4, where technical interoperability is not a business requirement, the Bidders must demonstrate how implementation of their services will not disrupt or negatively impact the services provided by other Module service suppliers." Is this requirement only applicable to Modules 3 and 4?

Section 4.5.5, Contractor Business Relationships, paragraph 2, was revised in Addendum 25 to read, "In Modules 3 and 4, technical interoperability is not a

business requirement. The Bidders must satisfy the State's Requirements for establishing Contract Business Relationships as identified in the subsection listed below."

119. Section 4.5.5.1.2 states: "Bidders shall describe in detail the process for how their business practices will support inter-Module services while adhering to individual Contract terms and conditions.' Is this requirement only applicable to Modules 1 and 2 or are inter-Module services implied for Modules 3 & 4?

In Section 4.5.5.1.2, the State is requiring the Bidder to describe in detail its business practices between all Modules that will ensure the integrity of the terms and conditions of its awarded Contract(s). The objective of the State is to ensure that Customers have a means to move between service Modules without service degradation.

120. Section 4.5.5.1.3 states: "Bidders shall describe in detail their commitment to technical interoperability requirements in accordance with Sections 6.1 and 6.2." Is this requirement only applicable to Modules 1 and 2? Modules 3 and 4 do not have interoperability requirements.

Technical interoperability is a Requirement of Modules 6.1 and 6.2, but is not a Requirement of Modules 6.3 and 6.4. This was clarified in Addendum 25.

121. Section 4.5.7.1, subsection 3, sets forth minimum staffing requirements for Key Personnel. Are these minimum staffing requirements for Modules 1 & 2 or for all Modules? There appears to be significant staffing requirements for Modules that have no current users.

The Staffing and Resource Requirements apply to all four Modules. Each Module is considered a separate Contract. Refer to Section 4.5.5.2.4 for Bidder's options.

122. Reference Section 4.5.7.1, subsections 5 and 6. Are requirements 5 and 6 for Modules 1 & 2 only? There appears to be significant requirements for Modules that have no current users.

The Requirements of items 5 and 6 apply to all four Modules. Refer to Section 4.5.5.2.4 for Bidder's options.

123. Reference Section 4.5.9, Is a Dedicated Contract Program Manager required for Modules 3 and 4 or can it be shared until the volume becomes high enough to warrant a full time DCPM?

The Requirement for a DCPM applies to all four Modules. Refer to Section 4.5.5.2.4 for Bidder's options.

124. In Section 6.2.15 and 6.2.15.1, the last bullets reference Section 6.1.4.5. We would appreciate clarification on the Reference to Module 1.

The correct reference should be Section 6.2.15.5. This correction is planned for inclusion in Addendum 27.

125. Would DTS remove the requirement for the Transition Plan to include the "Customer location", or make it a future deliverable, if the data provided to the bidder's does not include this information? Gathering of this data for many service types/categories from the End-Use following contract award may take considerable time and unnecessarily delay transition to the new contracted services.

The State will not change its requirement for Customer Location as an element of the Transition-In Plan.

126. Reference Section 7, Ex. 7-B Costs (Module 2): Currently, the Section 7 Pricing Models for various services do not allow for the pricing of all industry-standard call types, all of which are part of the State's current CALNET I contract. Verizon recommends the State change the tables to include the following call types:

6.2.3 Long Distance Calling

IntraLATA

Dedicated origination - Dedicated termination
Switched origination - Dedicated termination
Dedicated origination - Switched termination
Switched origination - Switched termination

InterLATA/IntraState

Dedicated origination - Dedicated termination
Switched origination - Dedicated termination
Dedicated origination - Switched termination
Switched origination - Switched termination

InterLATA/InterState

Dedicated origination - Dedicated termination

Switched origination - Dedicated termination
Dedicated origination - Switched termination
Switched origination - Switched termination

International

Dedicated origination - Dedicated termination
Switched origination - Dedicated termination
Dedicated origination - Switched termination
Switched origination - Switched termination

6.2.3 Long Distance Calling

IntraLATA

Dedicated origination - Dedicated termination
Switched origination - Dedicated termination
Dedicated origination - Switched termination
Switched origination - Switched termination

InterLATA/IntraState

Dedicated origination - Dedicated termination
Switched origination - Dedicated termination
Dedicated origination - Switched termination
Switched origination - Switched termination

InterLATA/InterState

Dedicated origination - Dedicated termination
Switched origination - Dedicated termination
Dedicated origination - Switched termination
Switched origination - Switched termination

International

Dedicated origination - Dedicated termination
Switched origination - Dedicated termination
Dedicated origination - Switched termination
Switched origination - Switched termination

Additional call types for pricing were provided in Addendum 24.

127. Reference 6.2.7a Network Based Interactive Voice Response (IVR) Services and Features: we recommend that the State use industry-standard units of measure for network-based IVR cost elements. Standard price elements that apply are listed below. Will the State do this?

- Application Installation Fee
- Monthly Application Fee
- Per Call/Transaction Fees for Features (Voice Forms, Menu Routing,

- Database Routing, Speech Recognition)
- Per Minute Fees for call duration

This was addressed in Addendum 24.

128. Reference 6.2.10a Toll Free Service: we recommend that the State change the tables to include the following industry-standard call termination types. Will the State do this?

IntraLATA

Dedicated termination (Dedicated Access Line)
Switched termination (Common Business Line)

InterLATA/IntraState

Dedicated termination (Dedicated Access Line)
Switched termination (Common Business Line)

InterLATA/InterState

Dedicated termination (Dedicated Access Line)
Switched termination (Common Business Line)

Additional call types for pricing were added in Addendum 24.

129. Reference 6.2.10b Toll Free Service: we recommend that the State modify the unit of measure for each feature into industry-standard units of measure, modifying from per minute units to per Toll Free Number/Account. Model units would require changing to quantity of Toll Free Numbers/Accounts. Will the State do this?

Table 6.2.10b is a 'Desirable' table. Bidder may modify the unit of measure for each feature in the Unsolicited pricing tables in their response.

130. Reference 6.2.10.2a International Toll Free Service: we recommend the State change the tables to include the following industry-standard call termination types. Will the State do this?

International

Dedicated termination (Dedicated Access Line)
Switched termination (Common Business Line)

Additional call types for pricing were added in Addendum 24.

131. Reference 6.2.12a Calling Card Services: we recommend the State change the tables to include the following industry-standard Calling Card call types. Will the State do this?

IntraLATA

Switched origination - Dedicated termination
Switched origination - Switched termination

InterLATA/IntraState

Switched origination - Dedicated termination
Switched origination - Switched termination

InterLATA/InterState

Switched origination - Dedicated termination
Switched origination - Switched termination

International

Switched origination - Dedicated termination
Switched origination - Switched termination

Additional call types for pricing were added in Addendum 25.

132. Reference sections 6.1.14.1 Transition In Requirements of Start-up and 6.2.25.1 Transition In Requirements of Start-up: can the State provide an inventory of existing services, to assist vendor in creating the Transition In Plan required in the draft proposal? Even if all required data for transition is not currently available, whatever information the State can provide would be very useful in the planning.

On March 6, 2006, the State provided the Bidder with the most current and complete CALNET I data available from the incumbent Contractors. This data was provided through the DGS Procurement Division, CALNET II Procurement Official.

133. Reference 6.2.21.1 Customer Service Center: can the State change the requirement for 'Service Order Inquiry Status' availability from 7 x 24 to normal business hours (M-F 8:00- 5:00 PST)?

This was addressed in Addendum 25.

134. Reference 6.2.4 Long Distance Access and Section 7, Exhibit B: 1) Can the State please add the requirement for an access component for dedicated long distance access? Add the Feature name/description table. 2) If yes, can the State please modify cost table to include the long distance access price component?

Please clarify this request and include any benefits or rationale for this modification.

135. Reference 6.2.22.3 Administrative Service Level Agreements: 1) Will the state consider modifying the compounding penalties? For example, if we miss 6.2.22.3.5 Tool Availability because the private website is down, we will also miss the 6.2.22.3.3 Report Delivery Intervals because these are required to be available via the private website. This results in a double jeopardy penalty. We suggest a similar strategy used for the technical SLA penalties. For example a Category 3 outage, would also include a Category 2 outage and an Enhanced Service outage, but only the Category 3 penalty would apply. 2) Will the State consider monthly or annual penalty caps?

1) The State is currently reviewing the Requirements of Section 6.2.22.3, Administrative Service Level Agreements, and will respond to this specific question, or if modification of Requirements is warranted, through a subsequent Addendum.

2) Based on the current Requirements the State will not limit its options by establishing monthly or annual penalty caps without further justification.

136. Reference 6.2.20.2 Managed Project Work: will the State consider modifying the definitions of Managed Project Work to include spikes in order provisioning that may require longer to process than the stated required time frames? For example, more than 500 Long Distance orders received in a day would default from suggested 5 days to a negotiated time frame with the State as a Managed Project?

The Managed Projects listed in Section 6.2.20.2 are identified as illustrative of those projects considered significantly complex as to require project management and coordination with the Customer and DTS/STND. The list of qualified projects may be expanded through Contract amendment or perhaps Unanticipated Task provisions.

However, it is unclear from the Bidder's example of "500 Long Distance orders received in a day" how the Requirements are impacted. Managed Projects are intended to be Customer-specific, based on complexity of subscribed service. It is unclear if the Bidder is referring to 500 LD orders from a single Customer, statewide orders from multiple Customers, or assumes orders are initiated from DTS/STND as Contract Administrator on a statewide scale under provision of Managed Projects.

137. Reference 6.2.19.1.8 General Invoice System Requirements Bullet #7 & Model Contract Section 60 Service Taxes, Fees and Surcharges 1) Mandated and non mandated taxes and surcharges are derived from a variety of entities including city, county, state and federal agencies. There are hundreds of local entities which could charge fees and surcharges, and the charges change on a regular basis. This presents an unreasonable hardship to provide advance notice of any changes at the city or county level. Will the State consider removing this notification requirement for local agency taxes, fees and surcharges? 2) With respect to State and Federal none mandated Taxes and Surcharges, can the State expand upon their approval process? Once the vendor submits their business justification, how long will the State take to approve? If the State does not approve, will you provide explanation for denial? What is the vendor's recourse in the case of denial?

The State has addressed the subject of fees, taxes, and surcharges in Addendum 26.

138. Reference 6.2.24 Management Tools and Reports: where are the requirements in the RFP for network monitoring applications that the State would like to access?

High level requirements are defined in 6.2.24. Bidder should identify and provide the appropriate network monitoring applications for proposed services.

139. Reference 6.2.24.2 Private Website: 1) In the Q&A Answer Set #21, question #99, the State says the Private website is restricted to DTS STND staff. However, in the RFP section 6.2.24.2 it states that the private website is available to DTS-STND and authorized customers, for example for invoice management. Please clarify. 2) Please clarify the requirement for 'inventory management reports'. The Fiscal Management Section 6.2.23 appears to cover a variety of inventory reports, for example by agency, by service, by location, etc.

1) Through a Requirement of the RFP, the State has established its intent to retain the option to allow Customer access to the Contractor's Private Website on a "need to know" basis to meet specific business requirements.

2) The State is only requiring one DTS/STND Fiscal Inventory Report of All Services as specified in Section 6.2.23.2.1, but there are other Fiscal Management Report Requirements that may require the same or similar information.

140. Reference 6.3.11.4.2 Contractor Invoice Audit Responsibility: can the State please clarify what is meant by 'invoice audit' responsibility and 'billing verification' and

how these two terms relate to each other? Is the State expecting the vendor to provide information based on a request from the State such as customers and/or revenue impact of a billing issue?

For contract oversight, DTS/STND shall ask the awarded vendor to run invoicing reports to verify that customers are being billed contract rates. In the event of errors, Issue/Action logs shall be provided to DTS/STND and each agency associated with the invoice(s) in question for all CALNET II customers. If numerous billing errors occur, the state may request a formal audit. Terms and conditions of an audit are stated in section 33 (Examination and Audit) of this RFP.

141. Reference 6.3.14.3.1 Admin Fee Reports/EFT Notification Delivery Intervals: 1) can the State confirm that error in the report content will not hold the vendor liable for failure to 'deliver' the report on time? 2) Since usage and MRC revenue can not be determined on Module 3 services at this time, would the State be willing to accept a tiered penalty approach, based on annual revenue growth? For example annual revenues \$10M or less = \$500, \$40M or less = \$750, \$40M and above = \$1000. If the State agrees with this approach can we use this same tiered approach for all modules?

1) The Requirement of Section 6.3.14.3.1 requires the Bidder to submit Administrative Fee Reports with the EFT Notification within 60 days calendar days from the end of each calendar month that a bill is rendered. Should the reports and ETF Notification contain inaccuracies, then the Bidder will not be subject to late delivery penalty. However, inaccurate or incomplete reports will be subject to provisions of Table 4A, Performance Deficiency Charges.

2) The State will not change its Requirement for Administrative SLAs to a tiered penalty approach for any of the modules. The SLAs for Administrative Fee Report/Electronic Fund Transfer Notification Delivery Intervals are consistent in all four (4) Modules. These SLAs have no relationship to how administrative fees are established for Module Services.

142. Reference 6.3.14.3.2 Invoicing Accuracy: 1) Would the State be willing to extend the resolution of invoice error from 30 days of notification to 120 days of notification, based on the time frame required for problem analysis, and corrective action? 2) Would the State be willing to modify the penalty for failure to resolve invoice error in 120 days to 10% of the credit discrepancy amount?

This was addressed in Addendum 24.

143. Reference 6.3.14.3.3 Report Delivery Intervals SLA: can the State please clarify that the required penalty of \$400 and \$100 per week thereafter is PER REPORT?

The DTS/STND Rights and Remedies are intended to apply to all reports listed. Clarification will be made in a future Addendum.

144. Reference Sections 6.1.7.5, 6.2.18.5, 6.3.10.5, 6.4.8.5: There is a requirement that "Marketing brochures and materials for contracted services must be approved by the DTS/STND prior to distribution". Does the State mean that general "boilerplate" brochures and materials as opposed to customer specific proposals must be approved by DTS?

The State shall approve all marketing materials prepared to support CALNET Products and Services prior to initial distribution. Individual Customer presentation materials or proposals shall be consistent with the terms and conditions of the Contract and generally do not require State approval. However, the State reserves the right to require pre-approval for individual proposals in special circumstance such as Customer IPR and ICB pricing opportunities.